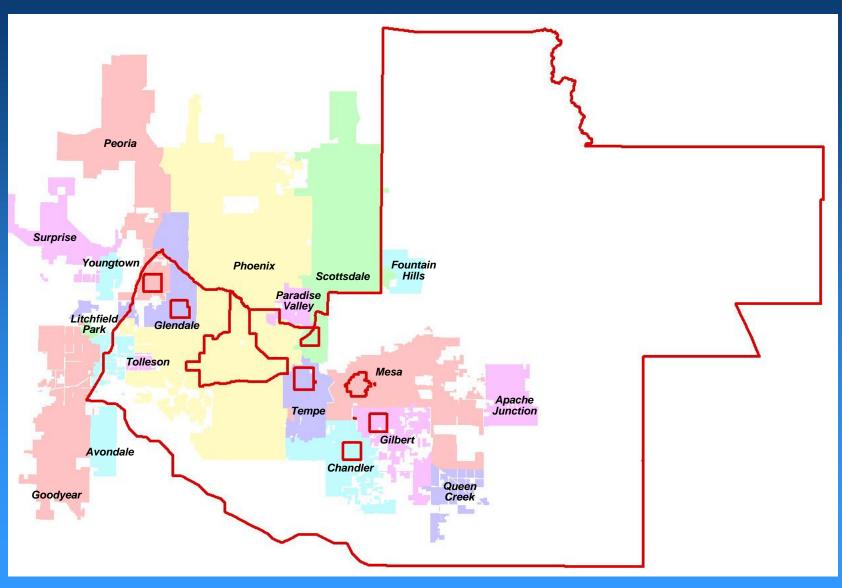
SRP Summer Preparedness

Year 2001

SRP Service Territory



Summary of Year 2001 Projected Conditions

- Transmission, SRP generation and planned energy purchases are adequate to serve the forecasted year 2001 demand
- Contingency plans are in place to handle emergency events

Operating Reserves

- Protect against loss of generation or transmission resources used to deliver energy to firm load
- Targeted reserve levels based on:
 - Amount of firm load
 - Largest single hazard

Summer 2001 Reserves

	Jun	Jul	Aug	Sep
Load (MW)*	4980	5370	5370	4840
Actual reserves**	* 627	635	636	841
Reserves				
Valley	627	385	385	841
Stranded	0	250	251	0

^{*} Based on 02/14/01 load forecast

^{**} Meets WSCC and NERC Criteria
Meets Southwest Reserve Sharing Group Criteria

SRP Resources - 2001

Total 6006 MW

1942 MW

Purchased Power

Reserves

636 MW

4064 MW

SRP Owned Generation SRP Forecast Peak Load

5370 MW

Operating Plan

System Improvements 2001

- Projects increasing import and load serving capability
 - Browning 500/230kV receiving station
 - Four 230/69kV transformer additions
 - Four new residential substations
 - Six 69/12kV transformer additions
 - Seven capacitor additions
 - Santan Dry Low NOX Project

System Preparation

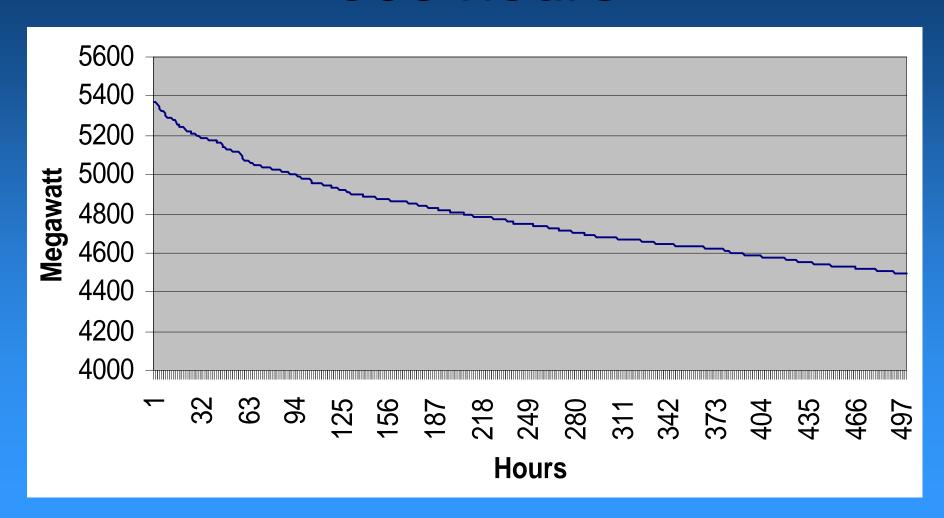
Summer substation and line maintenance will be complete by summer

- Major line patrols
- Preventative maintenance
- Pole work
- Personnel training

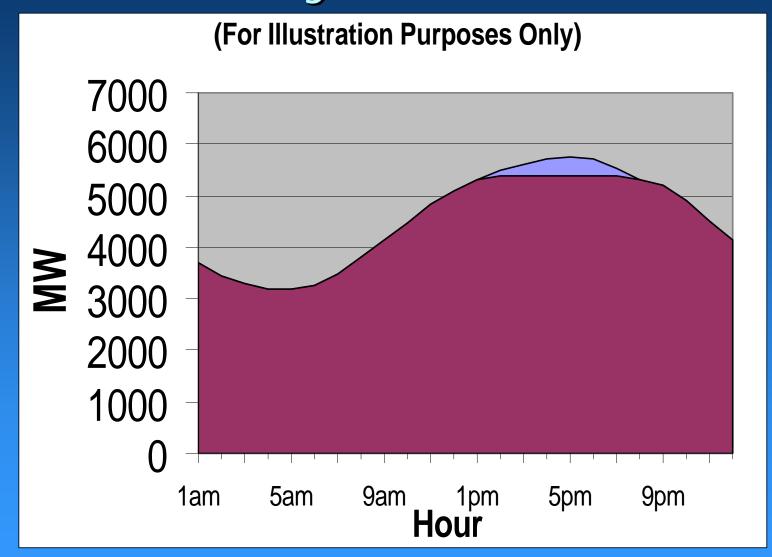
- Tree trimming
- Cable replacement
- Storm plan

Rotating Blackouts - Last Resort

SRP Load Duration Curve - 500 hours



SRP System Load



Voltage Stability

- Studies indicate that, beginning this year, certain transmission line outages at peak load expose customers to an electric system voltage collapse and wide spread outages.
- SRP has implemented a "remedial action scheme" to automatically shed load, if this situation occurs, limiting the impact.
- The Santan expansion project will greatly reduce this exposure in the future.

Items to be Completed **BEFORE**Rotating Blackouts

- Purchase capacity and energy
- Bring all available units on line
- Cut interruptible loads
- Request emergency assistance
- Operate plants to emergency ratings
- Cut wholesale sales
- Initiate a public appeal

How Will Rotating Blackouts Work?

- Circuits will be interrupted for a specific time period.
- Order of interruption in a predetermined sequence by substation bay.
 - Each bay covers approximately 4 square miles
- Critical circuits (hospitals, water treatment, communication, etc.) will be avoided.

How Will Rotating Blackouts Work?

- Dedicated substations serving industrial customers are included in the rotation.
- SRP will use all resources available for the restoration effort.
- If more than one rotating blackout event is required, the process will begin where it left off in the previous event.

How Will Rotating Blackouts Work?

- Open enough circuits
- Begin restoration process
 - Open new circuit
 - Close one in
- Continue until no longer necessary
- Each circuit impacts approximately 750 customers.

Rotating Blackout Alert Issued

SRP Risk Manager

- Activates Emergency Room at Dispatching Center
- Notifies Maricopa County Dept of Emergency Services
- SRP dispatches operations personnel to County DOC
- Notifies SRP Crisis Management Team

Emergency Room Staff

- SRP Risk Manager, SRP Customer Service Rep, Media Relations
 Rep and Governmental Affairs Rep
- Coordinate with Dispatchers
- Inform Public Agencies for Duration of Event
- Information Source for Public Communications

Communication Plan

- Informs Public
- Informs Other Interested Parties